

Expanding Opportunities for Affordable Housing: Package B

Amendments to the Comprehensive Plan Map
and the Zoning Map

STAFF REPORT
FEBRUARY 2021



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Acknowledgments

Portland City Council

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Section I: Introduction

Project Summary

This report contains recommendations to Council for several proposed Zoning Map and Comprehensive Plan Map amendments for sites where community-based projects, including affordable housing developments, are planned or would be feasible.

This project is a continuation of the deferred portion of the Expanding Opportunities for Affordable Housing (EOAH) project adopted by City Council in June 2020. That project included amendments to the Zoning Code, Zoning Map, and Comprehensive Plan Map to facilitate development of affordable housing on land in the ownership of Community Based Organizations (CBO's). With the adoption of the EOAH, City Council deferred its consideration of changing the comprehensive plan and zoning designations for certain properties and directed staff to study and prepare a follow-up recommendation on five additional sites that were identified in both the EOAH report and testimony as potential sites for map Zoning Map and Comprehensive Plan Map changes. This second phase of the EOAH presents the study and recommendation for those additional sites.

The EOAH ordinance also directed staff to initiate a mapping project to identify where zoning could create community benefits and address past harms. That directive is presently being addressed under a separate BPS project, which is described in BPS's proposed budget.

Process

During the fall of 2020, staff worked with property owners, neighbors, partner bureaus, and other stakeholders, to evaluate each site to determine the appropriateness and ripeness of the proposed rezoning. Staff then convened meetings of interested parties and neighbors to discuss the proposals and hear community feedback. Staff also convened a meeting with representatives from other City bureaus to flag any infrastructure issues that would impact the rezoning proposals.

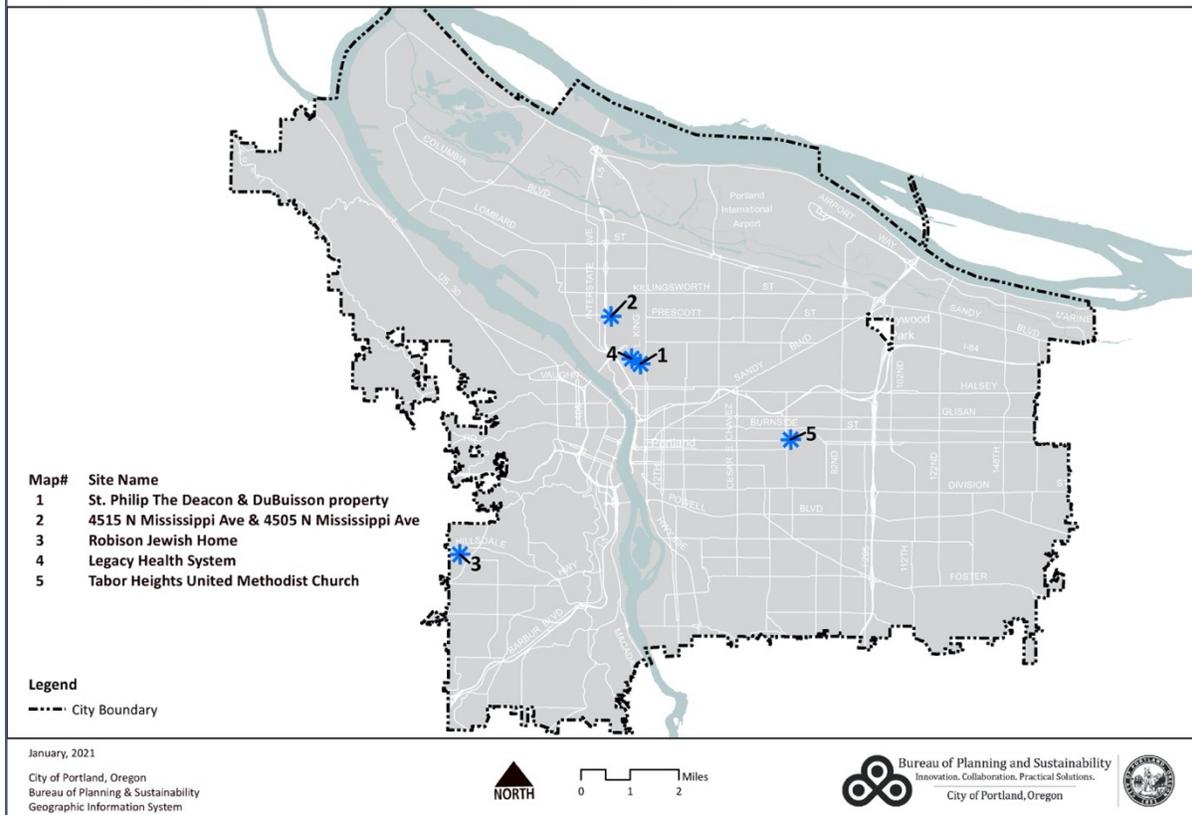
Once the additional research and outreach portion of EOAH – Package B was completed, staff compiled this report for presentation to City Council in advance of a hearing, to be held in early 2021. The Planning and Sustainability Commission (PSC) already held a public hearing on the EOAH project and made a recommendation. Since this project is the continuation of the deferred portion of EOAH, it addresses concerns raised in the testimony during the previous EOAH hearings before City Council and it responds to Council's directive to return directly to Council after further study of particular sites, it was determined that this project did not need to be returned to the PSC.

Consistent with PCC 33.740.030, a public notice will be sent to interested parties and neighbors in advance of the Council Hearing, including those who provided oral or written testimony at the previous Council hearings on EOAH. A notice was also sent to the state Department of Land Conservation and Development in accordance with statewide planning regulations.

Sites and recommendations

The five sites identified for further study are identified and discussed below. The sites are scattered across the city and each has unique attributes and constraints.

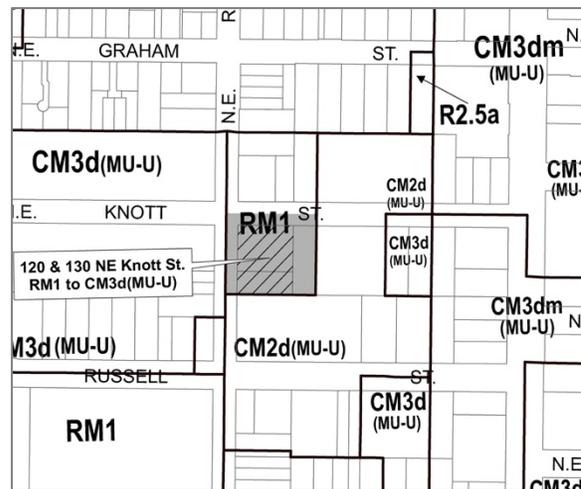
Expanding Opportunities for Affordable Housing - Package B



- 1. 120 and 130 NE Knott Street (St Phillip the Deacon).** This was site was nominated for rezoning by the owner of 120 NE Knott, St Phillip the Deacon Church. Of the five sites included in this report, this one has the most articulated development proposal. The site is presently zoned RM1 and is proposed to be rezoned to CM3d. The one-story church and associated parking occupy two of three tax lots that comprise the site and a single dwelling unit occupies the lot at 130 NE Knott. The church has explored the idea of purchasing 130 NE Knott for inclusion in their redevelopment plans though it is unclear at this point if that will happen. Regardless, staff recommends rezoning 130 NE Knott as well as 120 NE Knott in order to maintain zoning continuity and not create a situation where a single lot is zoned differently than the adjacent lots.

Much of the surrounding area is zoned CM2 or CM3 with the exception of some RM1 zoned lots to the north, across NE Knott Street. The site is located within the Eliot Conservation District. The Matt Dishman Community Center occupies the block diagonally to the west, a Pacific Power transformer facility is located across NE Rodney to the west, and the Albina Branch of the Multnomah County Library and its parking area are located south and east of the site. The church has applied for a Metro Bond grant to redevelop the site with a ground floor church and affordable housing on the floors above.

No major infrastructure concerns were raised by the Bureau of Environmental Services (BES), the Water



Bureau, or the Portland Bureau of Transportation (PBOT). BES noted some capacity issues with the available combined sewer and PBOT noted that on-street parking would be a concern; however, neither issue would preclude redevelopment of the site.

A virtual meeting that was held on November 24 was attended by representatives of the church, the property owners, neighbors, and members of the Eliot Neighborhood Association (NA). At that meeting, the church representatives provided a brief overview of the redevelopment concept for the site and responded to questions from neighbors. Questions were raised about the size and bulk of the new development and the uses proposed at the site. Church representatives stated that the proposed development would not max out the increased height and FAR allowances in the CM3 zone and also indicated the new housing on the site would be available to those making between 30-50% Median Family Income (MFI). There were no objections to the zone change proposal raised at the meeting. One neighbor that owns a property in the RM1 zone on the north side of NE Knott Street reached out to staff after the meeting with questions about the proposal and allowances in the CM3 zone.

Based on the lack of opposition to the proposal from neighborhood interests, the near term prospects for a development project, and the lack of major infrastructure concerns, staff recommends approval of the zone change. This change is consistent with the intent of the EOA project.

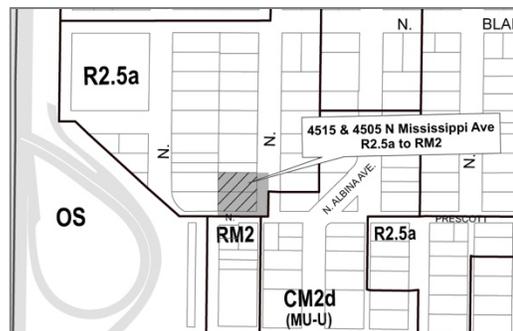
- 2. 4505 and 4515 N Mississippi Avenue.** The property owner of 4515 N Mississippi Ave, Dianne Clay, requested that this site to be rezoned from R2.5a to RM2. It is located at the corner of N Mississippi Ave and N Prescott St. The site is currently occupied by a single dwelling unit in which the property owner rents out the individual rooms at what she states are below market rates. She would like to expand this operation to provide additional affordable housing units and is seeking grant money from Prosper Portland to make improvements to her site. Rezoning the site to RM2 would allow her to expand the use of the site and may help her qualify for Prosper grant funding. 4505 N Mississippi Avenue also contains a single dwelling unit. The owners of that property have no plans to redevelop the site; this site is included because it would create a continuous area of RM2 between 4515 N Mississippi and the RM2 zoned area south of N Prescott Street. This site differs from the others in this report, as it is the only one not owned by a community-based organization; however, Dianne Clay is a longtime resident with deep roots in the neighborhood and operates Clay Property Management, which provides affordable housing to residents impacted by gentrification and displacement in the area and states that approval of the rezoning proposal would assist her in doing so.

The R2.5a properties are located in the Mississippi Conservation District and are surrounded by R2.5a zoning to the north and west, RM2 zoning opposite NE Prescott Street to the south, and CM2d zoning to the east. Primary uses in the immediate area are single dwelling and multidwelling residential.

No major infrastructure concerns were identified at this site. BES noted that the site is upstream of a facility with surcharge issues but this would not preclude rezoning the site to RM2.

A meeting was held to discuss the proposal via Zoom on November 16 and was attended by the two property owners and a representative of the Humboldt NA. Dianne Clay gave a quick overview of her site and what her hopes are for it. There were no objections raised to the zone change and the Humboldt NA spoke in favor of proposals that support the development of more affordable housing in the neighborhood.

Based on the lack of opposition to the proposal from neighborhood interests and lack of major infrastructure



concerns, staff recommends approval of the zone change. Staff recognizes that, while this site is not owned by a CBO, the zone change is compatible with Council’s goal to increase affordable housing and support community-based initiatives. It is particularly relevant considering the location in the City’s historic African-American community and considering Council’s directive in the EOH ordinance to study zoning tools that create community benefits, address past harms, and promote fair housing.

3. **2800 N Vancouver Ave (Legacy Site).** This site was nominated to be rezoned from C12m to CM3dm by representatives of the Eliot NA. It is owned by Legacy Health System and occupies a full block bound by N Vancouver Ave, N Graham St, N Williams Ave, and N Stanton St and is adjacent to the Legacy Emmanuel Medical Center, located west of the site. It contains a medical office building and associated parking lot. Dawson Park occupies the block to the north. To the east is a mixture of multidwelling and single dwelling zoned properties.



The two blocks to the south are also owned by Legacy and were recently rezoned to CM3d as part of the first iteration of the EOH project. The Williams and Russell Project is a collaborative project of Legacy, Prosper Portland, and the Williams and Russell Project Working Group (PWG) to redevelop the southern of those two blocks to serve the historically African-American community that was once centered in this area. Legacy is donating the 1.7-acre site for that purpose.

Neither the Water Bureau or BES identified any infrastructure concerns for this site. PBOT noted that the N Graham right-of-way has been vacated and would need to be dedicated to the City if the site is redeveloped. The existing roadway in the old ROW would need to be brought up to City standards as well. PBOT also noted that there are several failing intersections north of the site where the Fremont Bridge empties freeway traffic onto the surface streets. Neither of these issues would necessarily preclude a rezoning of the site to CM3.

Staff convened a meeting on November 19 with a representative from Legacy, Eliot NA representatives, and a representative of the Williams and Russell PWG. At the meeting, the NA representatives explained the reasons for testifying in favor of including this site with the original EOH project. These reasons included:

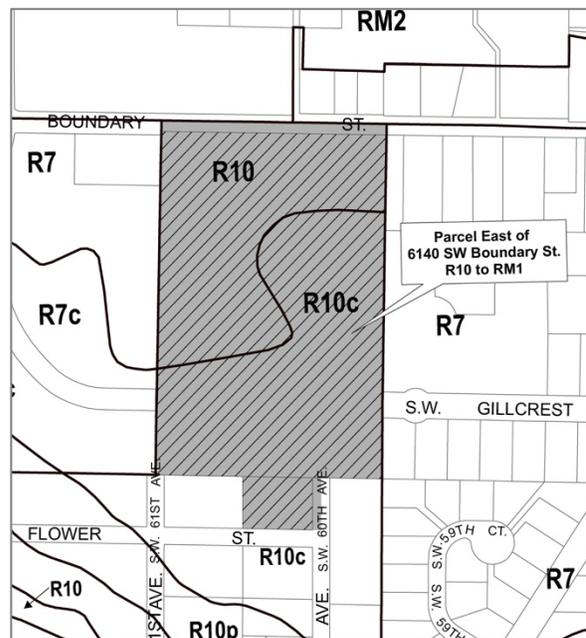
- Addressing the history of past wrongs in this area that resulted from Urban Renewal efforts and condemnation of lands that the City then gave to Legacy to be redeveloped. The Williams and Russell Project is a step towards righting that past wrong but more can be done. Rezoning this site is a step in that direction and could lead to the site being redeveloped with affordable housing and services for the community.
- Concerns about safety and crime on the north side of the block along N Stanton and near Dawson Park. The NA representatives would like to see the site redeveloped in an effort to activate the streetscape and provide the benefits of more “eyes on the street.”
- The site is prime real estate along a prime commercial corridor that is being underutilized as a medical office and parking lot. There are better ways for the site to be incorporated into and better serve the community.

The Williams and Russell PWG representative supported the idea of the rezone and redevelopment of this block, but also noted that rezoning the site would not alone solve many of the problems cited but the

neighborhood representatives. Legacy Health Systems does not support rezoning the site. They have no plans to redevelop the site at this time but are considering long term plans on their constrained, urban site.

Staff does not recommend that this site be rezoned at this time. This is based on the opposition of the property owner to the proposal and also to the fact that rezoning the site would do little or nothing towards achieving the ends desired by the NA. Rezoning the site would not provide any additional incentive to Legacy to redevelop the site or to donate it to the community for affordable housing. Further, the type and scale of development allowed in the C12 zone is comparable to what would be allowed in the CM3 zone. Both allow institutional, residential, and commercial uses and both would also have the 'm' Centers Main Street Overlay Zone, which requires active ground floor uses. Leaving the current zoning designation would not preclude Legacy or a future property owner from redeveloping the site for affordable housing with ground floor retail or services.

4. **Property east of 6140 SW Boundary Street (Cedar Sinai Park Site).** The property owner, Cedar Sinai Park (CSP), requested the zone change on this site from R10/R10c to RM1/RM1c. CSP operates the Robison Jewish Home and Rose Schnitzer Manor, providing long term care and assisted living services, on adjacent sites to the west and north. SW Boundary Street runs along the northern edge of the site and SW Gillcrest Court terminates along the southeastern boundary. The site is mostly vacant, with the exception of a small parking lot in the northwest corner, and is split-zoned approximately in half, with the northern portion zoned R10 and the southern portion zoned R10c. The 'c' Environmental Conservation Overlay area is forested and contains walking trails that are used by CSP residents and neighbors. Zoning to the west, south, and east is all single dwelling zone designations of R7 or R10, while the area to the north is zoned RM1.



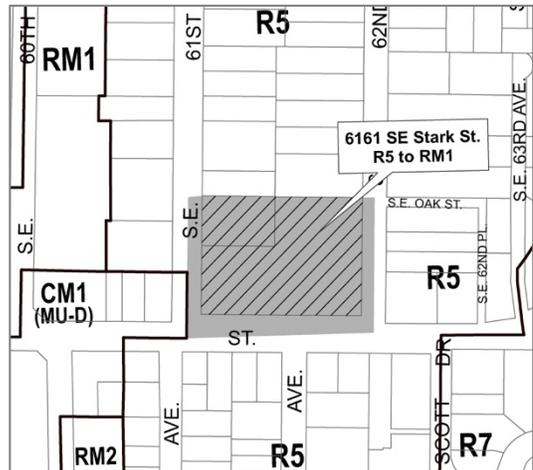
CSP does not have specific plans for the site but state that they would like to develop the northern portion of the site with affordable housing for seniors and retain the forest and walking trails on the southern portion.

The Water Bureau had no issues with water service at this site; however, both BES and PBOT had concerns. BES indicated that they do not support the rezone proposal at this time due to inadequate sewer and stormwater capacity that must first be addressed. PBOT noted concerns with traffic volumes on SW Boundary east of the site as well as connectivity concerns. Boundary street neighbors have raised the issue of cut-through traffic from the existing CSP facilities to PBOT in the past and the new development could exasperate that (discussed further below). A traffic study would need to be conducted to further evaluate this issue. The connectivity concerns stem from the SW Gillcrest terminus at the southeast boundary of the site. While typically PBOT would want to see this street extended onto the site for connectivity purposes, the location of a future street would be in the 'c' Overlay Zone. Further study would be needed to weigh the connectivity benefits with the natural resource value of the site.

On November 5, staff convened a virtual meeting of the Boundary Street neighbors, Hayhurst NA representatives, and CSP staff. At the meeting, CSP presented background information on their organization, its mission, and the services they provide and gave a rough outline of what future development of this site could be if it were rezoned. Neighbors were then given the opportunity to comment on the proposal. The most cited issue centered on existing cut-through traffic from the CSP facilities and the inability to curb the flow of traffic from staff, visitors, and deliveries to CSP. Neighbors stated they would have trouble supporting the rezoning proposal until the cut-through traffic issue was addressed and also would not support a plan that includes improvements to the eastern portion of Boundary Street to accommodate higher traffic volumes. They were also concerned that CSP does not have a specific development proposal for the site and that granting the rezoning proposal would not limit the site to the CPS proposal for affordable senior housing. Following the meeting, the Hayhurst NA provided a letter to staff that summarized these concerns and expressed opposition to the rezoning proposal.

Given the opposition from the neighbors and the Hayhurst NA as well as the lack of support from BES and PBOT, staff does not recommend approval of the proposal to rezone this site. A more appropriate path forward for CSP would be to request the rezone through the quasi-judicial process offered by the Bureau of Development Services (BDS) rather than through the legislative process. The quasi-judicial process would be more effective at ironing out these issues and working out substantive solutions to them. A quasi-judicial consideration would allow more site-specific analysis and would provide a mechanism for the City to attach binding conditions of approval to the re-zoning that address the concerns noted above.

5. **6161 SE Stark Street (Tabor Heights United Methodist Church).** This site was nominated for rezoning from R5 to CM1 in the testimony for the EOA by a neighbor. Staff contacted this neighbor, who no longer wanted to be involved in the process. Staff also contacted the property owner and was in touch with a member of the church’s Board of Directors. The church representative did not provide a solid response as to whether they would like to move forward with the proposal. Without an advocate for the site’s rezoning, staff did not pursue the matter further and did not conduct any community outreach. Staff does not recommend rezoning this site. There is no known community based initiative or affordable housing project being planned here at this time.



Staff Recommendation

Staff recommends that City Council:

- Adopt this report;
- Amend the Comprehensive Plan Map and Zoning Map as shown in this report; and
- Adopt the ordinance and associated findings.

Section II: Comprehensive Plan Map and Zoning Map Amendments

This section presents the proposed Comprehensive Plan Map and Zoning Map amendments that City Council directed staff to study. The section is formatted to facilitate readability by showing draft map amendments on the right-hand pages and related commentary on the facing left-hand pages.

The proposed Comprehensive Plan Map and Zoning Map changes fall into one or more of these categories:

- The site is adjacent to the zoning that is proposed, or the proposed zone matches the sites underlying Comprehensive Plan map designation;
- The site is in the ownership of an institution or community-based organization.
- The change creates a pathway for providing community benefits.

The Comprehensive Plan and Zoning Map changes are primarily on land in the ownership of community-based organizations seeking to utilize some of their land for community benefits, specifically affordable housing. Addressing zoning-related barriers to the development of affordable housing will expand opportunities for such development.

Commentary

Property information:

Owner: St Phillip the Deacon Church
Address: 120 NE Knott St
Tax Account #: R102180 and R102181

Proposed change:

Comprehensive Plan Map amendment:
from Multi-Dwelling - Neighborhood to Mixed Use - Urban Center

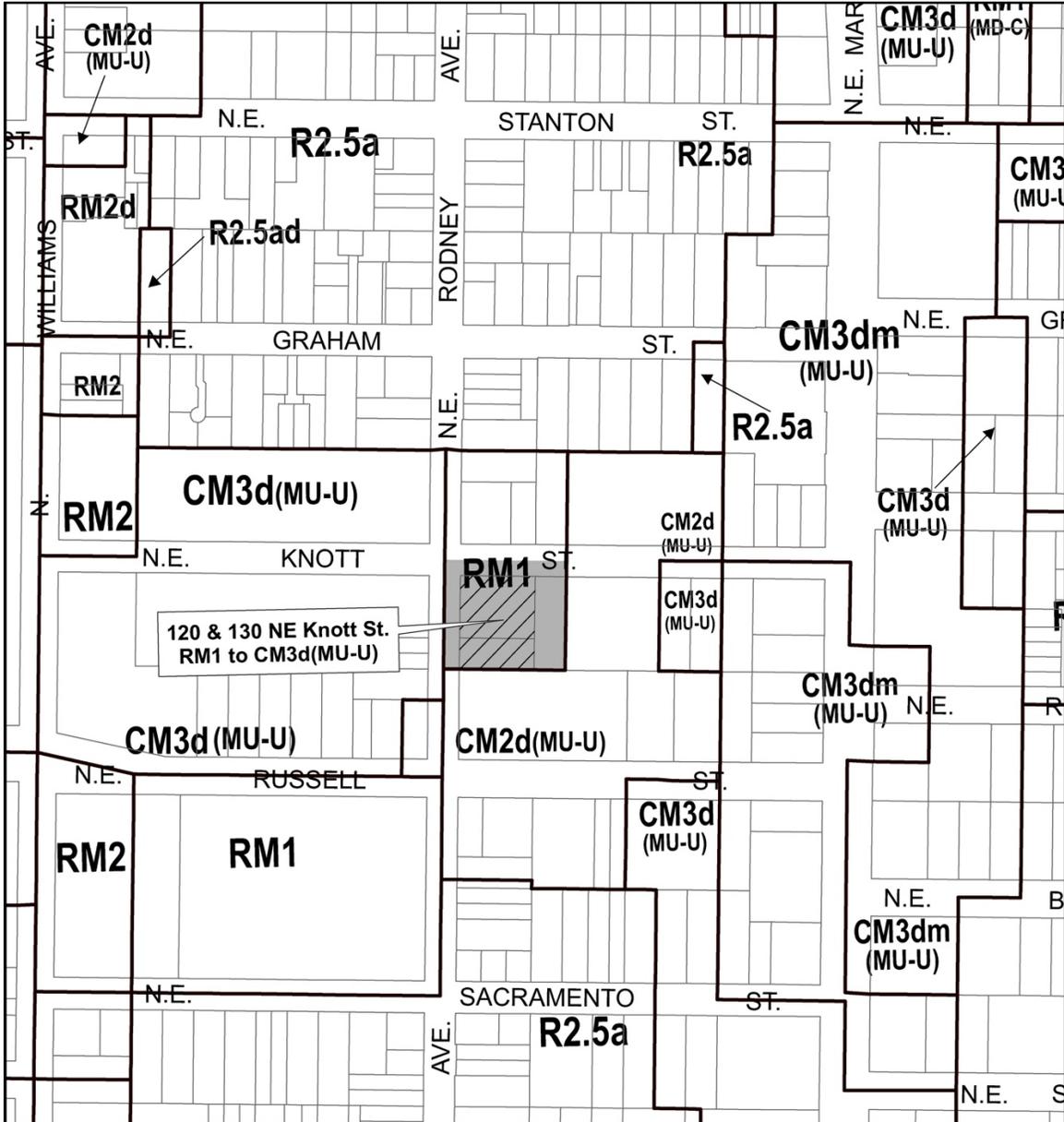
Zone Map amendment:

from RM1 to CM3d

Other zoning designations:

Elliot Conservation District
Albina Community Plan District

St Phillip the Deacon Church owns the two tax lots on the corner of NE Knott Street and NE Rodney street, which they anticipate using to develop affordable housing and community service uses and maintain the religious institutional uses. The adjacent lot to the east that is also proposed for rezone is in private ownership but is included in order to avoid creating an isolated lot of RM1 zoning. Typically, zoning boundaries should follow the street or encompass whole street faces and be mapped more broadly than a single lot. NE Knott and NE Rodney Streets are Local Service Streets in the Transportation System Plan (TSP).

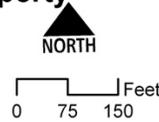
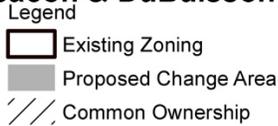


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Map 1: St. Philip The Deacon & DuBuisson property

January, 2021

City of Portland, Oregon ||
 Bureau of Planning and Sustainability ||
 Geographic Information Systems



Commentary

Property information:

Owner: Dianne Clay
Address: 4515 N Mississippi Ave
Tax Account #: R135550

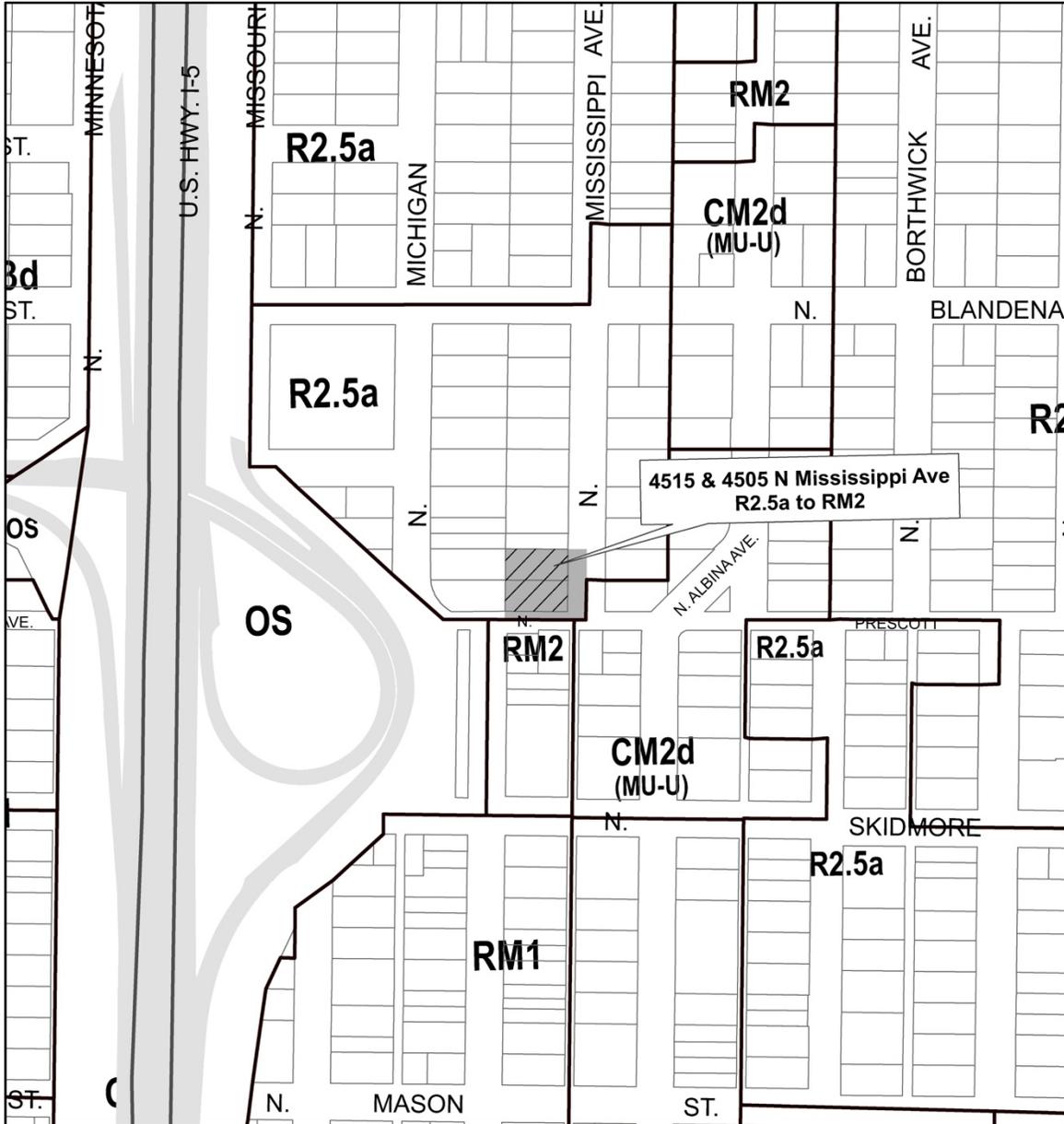
Owner: James Sansangasakun and Oranuch Chatsrinopakun
Address: 4505 N Mississippi Ave
Tax Account #: R135551

Proposed change:
Comprehensive Plan Map amendment:
from Single-Dwelling 2,500 to Multi-Dwelling - Corridor

Zone Map amendment:
from R2.5a to RM2

Other zoning designations:
Mississippi Conservation District

These two sites are located at the corner of N Mississippi and N Prescott and are in single dwelling residential use. They are privately owned. The owner of 4515 presently rents out the rooms individually as a rooming house at below market rates. She anticipates expanding that use on the site and would like to apply for Prosper Portland Grants to assist her in doing so. The owners of 4505 N Mississippi intend to maintain the single dwelling use on the site. That site was included in the zone change proposal to avoid an isolated "spot-zoning" situation at 4515 N Mississippi. N Mississippi and N Prescott are both designated as Local Service Streets in the Transportation System Plan (TSP).



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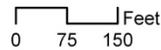
Map 2: 4515 N Mississippi Ave & 4505 N Mississippi Ave

January, 2021

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 Geographic Information Systems

Legend

-  Existing Zoning
-  Proposed Change Area
-  Common Ownership



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